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AMEMBASSY RAWALPINDI
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SENATE PASSED FOREIGN MILITARY SALES FY 70 AND FY 71 AUTHORIZATION BILL (75 TO 20) ON JUNE 30. STILL TO BE WORKED OUT, POSSIBLY IN CONFERENCE, IS EXTENSION OF THE AUTHORITY FOR FY 70 CREDIT SALES IN FY 71.

ALL PROVISIONS OF THE BILL AS PASSED BY THE SENATE ARE SUBJECT TO REVIEW, POSSIBLE DELETION OR COMPROMISE WHEN A HOUSE-SENATE CONFERENCE COMMITTEE WILL TRY TO IRON OUT DIFFERENCES BETWEEN THE HOUSE AND SENATE VERSIONS OF THE BILL.

THE KEY PROVISIONS OF THE HOUSE AND SENATE VERSIONS ARE:

1. SECTION 2-SENATE AUTHORIZES CREDIT SALES NOT TO EXCEED DOLS 300 MILLION EACH FOR FISCAL YEARS FY 70 AND FY 71. HOUSE VERSION AUTHORIZES A CEILING OF DOLS 350 MILLION FOR FY 70 AND DOLS 385 MILLION EACH FOR FISCAL YEARS FY 71 AND FY 72. ALSO SENATE AUTHORIZES FUNDS FOR CREDIT SALES OF DOLS 250 MILLION FOR EACH FISCAL YEAR; DOLS 272.5 MILLION EACH FOR FISCAL YEARS FY 71 AND FY 72.

2. SECTION 7 (COOPER-CHURCH) - RESTRICTS PRESIDENTIAL ACTION REFERENCE CAMBODIA. HOUSE CONTAINS NO COMPARABLE PROVISION.

3. SECTION 9 - SETS CEILING ON THE DISTRIBUTION OF EXCESS DEFENSE ARTICLES AT DOLS 35 MILLION AT 50 PERCENT OF ACQUISITION COST. ANY AMOUNT DISTRIBUTED ABOVE THIS WOULD BE DEDUCTED FROM NOA FOR THAT YEAR. HOUSE HAD NO SUCH PROVISION.

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5. SECTION 10 - REQUIRES RECIPIENT OF MAP AND EXCESS TO DEPOSIT HALF OF VALUE IN LOCAL CURRENCY ACCOUNT TO BE USED FOR U.S. OBLIGATIONS IN THAT COUNTRY AND FOR EDUCATIONAL AND CULTURAL EXCHANGE PURPOSES. HOUSE HAS NO SUCH PROVISION.

6. SECTION 14 - REPEALS GULF OF TONKIN RESOLUTION. HOUSE HAS NO SUCH PROVISION.

7. SECTION 15 - NO FUNDS FOR ECONOMIC ASSISTANCE MAY BE EXPENDED FOR KOREA UNTIL THE PRESIDENT DETERMINES THAT THE KOREANS HAVE STOPPED SALMON FISHING EAST OF 175 DEGREES WEST LONGITUDE. HOUSE HAS NO SUCH PROVISION.

8. SECTION 16 - PROHIBITS TRANSPORT CHEMICAL MUNITIONS FROM OKINAWA TO THE US AND REQUIRES THAT DETOXIFICATION OR DESTRUCTION TAKE PLACE ONLY OUTSIDE US. HOUSE HAS NO SUCH PROVISION.

HOUSE BILL PASSED ON MARCH 24, 1970. HOUSE-SENATE CONFERENCE WILL PROBABLY BEGIN ABOUT MID-JULY WITH EXPECTATION IT WILL LAST THREE WEEKS IF NOT LONGER.

FY 70 FMS APPROPRIATION REQUEST WILL BE INCLUDED IN FY 71 FMS-MAP APPROPRIATIONS BILL IF FMS FY 70 AUTHORIZATION PASSED BOTH HOUSES BY TIME IT GOES TO SENATE FLOOR. FY 71 APPROPRIATION PASSED HOUSE 4 JUNE BY VOTE 192-152 AND BILL NOW AWAITING SENATE APPROPRIATIONS SUBCOMMITTEE ACTION; HEARINGS EXPECTED LATE THIS MONTH. JOHNSON

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